



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

February 24, 2009

IN REPLY PLEASE

REFER TO FILE: **WW-1**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC HEARING FOR AMENDMENT TO PART 5 OF THE
RULES AND REGULATIONS FOR THE LOS ANGELES COUNTY WATERWORKS
DISTRICT NOS. 21, KAGEL CANYON; 29, MALIBU, AND THE MARINA DEL REY
WATER SYSTEM; 37, ACTON; AND 40, ANTELOPE VALLEY
REGARDING THE PHASED WATER CONSERVATION PLAN
(SUPERVISORIAL DISTRICTS 3, 4, AND 5)
(3 VOTES)**

SUBJECT

This action is to approve an amendment to Part 5 of the Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley, regarding the Phased Water Conservation Plan.

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING, ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NOS. 21, KAGEL CANYON; 29, MALIBU, AND THE MARINA DEL REY WATER SYSTEM; 37, ACTON; AND 40, ANTELOPE VALLEY:

1. Find that the proposed amendment to Part 5 of the Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley, is for the purpose of meeting operating expenses during periods of water shortages declared by your Board; and therefore, the amendment is statutorily exempt from the California Environmental Quality Act.

2. Determine whether a majority protest exists against the amendment to Part 5 of the Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley, regarding the Phased Water Conservation Plan. If a majority protest exists, deny the proposed amendment and refer the matter back to the Department of Public Works. If there is no majority protest against the proposed amendment, adopt the Resolution approving the amendment to Part 5 of the Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to amend Part 5 of the Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40 Antelope Valley (Districts), regarding the Phased Water Conservation Plan. The Phased Water Conservation Plan is used to minimize the effects of an emergency water shortage on the Districts' customers and may be implemented by your Board following a public hearing for determination of a water shortage.

The amendment will clarify the method of determining the Districts' water allocations to their customers during times of water shortages and update the surcharges applied to customers who exceed their water allocations. The updated surcharges are necessary during times of water shortages to recover the higher cost to the Districts for water purchases in excess of the Districts' water allocations from the various wholesale water agencies that serve the Districts. The surcharges are only applicable when your Board declares a water shortage and, therefore, implements the Phased Water Conservation Plan.

On July 1, 2008, your Board approved a motion by Supervisor Don Knabe to implement the recommendation submitted in a report entitled "Response to Governor Schwarzenegger's Statewide Drought Proclamation" that was prepared by the Acting Director of Public Works in collaboration with the Departments of Internal Services, Parks and Recreation, and Regional Planning. This action would implement the second portion of the report's second recommendation, updating and adopting the Districts' Phased Water Conservation Plan.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Fiscal Responsibility (Goal 4) and Community Services (Goal 6) by updating the Districts' Phased Water Conservation Plan to provide reliable water service to the Districts' customers and recover the higher cost of purchased water during periods of water shortages.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Adoption of the Resolution (Attachment A) will revise the Districts' Rules and Regulations in accordance with Division 16, County Waterworks District Law, of the California Water Code. Section 55333 of the California Water Code authorizes your Board to make changes to the Rules and Regulations.

Articles XIII C and D of the California Constitution (Proposition 218) and Section 53750 et seq. of the California Government Code establish notice, protest, and hearing requirements for approval of certain new or updated charges, including the updated surcharges proposed for the Phased Water Conservation Plan. Notice of a proposed charge and the time, date, and place of a required public hearing must be mailed to all record owners of parcels affected by the charge. At the public hearing, objections or protests, if any, to the proposed charge must be considered. At the conclusion of the public hearing, a determination must be made whether a majority protest exists against the proposed charge. A majority protest exists if a majority of the record owners present written protests against the proposed charge. If a majority protest exists, the proposed charge shall not be imposed, extended, or increased. If there is no majority protest, the proposed charge may be imposed, extended, or increased.

Section 53756 of the Government Code authorizes local publicly-owned water utilities such as the Districts to adopt rate schedules with future cost adjustments to allow for the pass-through of water commodity rates under certain circumstances. The circumstances requiring the updated surcharges for the Phased Water Conservation Plan are consistent with those specified in Section 53756 of the Government Code.

A notice of the proposed updated surcharges and the time, date, and place of the public hearing (Attachment B) was mailed to all of the Districts' affected customers.

County Counsel has reviewed and approved the proposed Resolution as to form.

ENVIRONMENTAL DOCUMENTATION

These actions and the proposed Resolution amending the Districts' Rules and Regulations are to fund operating expenses during periods of water shortages and are, therefore, statutorily exempt from the California Environmental Quality Act pursuant to Section 21080(b)(8) of the Public Resources Code and Section 15273(a) of the California Environmental Quality Act Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These actions will update the Districts' Phased Water Conservation Plan to provide reliable water service to the Districts' customers and recover the higher cost of purchased water during periods of water shortages. There will be no negative impact on current County services or projects as a result of these actions.

CONCLUSION

Please return two adopted copies of this letter and one signed original of the Resolution to the Department of Public Works, Waterworks Division.

Respectfully submitted,



rf GAIL FARBER
Director of Public Works

GF:AA:lr

Attachments (2)

c: Chief Executive Office (Lari Sheehan)
County Counsel

ATTACHMENT A

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA, APPROVING THE AMENDMENT OF THE RULES AND REGULATION FOR THE LOS ANGELES COUNTY WATERWORKS DISTRICT NOS. 21, KAGEL CANYON; 29, MALIBU, AND THE MARINA DEL REY WATER SYSTEM; 37, ACTON; AND 40, ANTELOPE VALLEY

WHEREAS, the Los Angeles County Board of Supervisors (hereinafter referred to as BOARD) is the governing body of the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley (hereinafter referred to as DISTRICTS); and

WHEREAS, Section 55333 of the California Water Code provides that the DISTRICTS may adopt and enforce all rules, regulations, and ordinances, which may be necessary and proper for the administration and government of the DISTRICTS; and

WHEREAS, the BOARD has adopted Rules and Regulations for the Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley (hereinafter referred to as RULES AND REGULATIONS); and

WHEREAS, existing Rules 5-D-1c, 5-E-1d, 5-F-1c, 5-G-1c, 5-H-1c, and 5-I-1c describe the method to derive the base quantity of water used as a comparison to the target quantity set by water conservation goals in the event that the BOARD invokes the Phased Water Conservation Plan detailed in Part 5 of the RULES AND REGULATIONS; and

WHEREAS, existing Rule 5-O-1a of the RULES AND REGULATIONS describes, among other things, the water conservation surcharges to be levied on customer water bills in the event that the BOARD invokes the Phased Water Conservation Plan detailed in Part 5 of the RULES AND REGULATIONS; and

WHEREAS, the DISTRICTS' water wholesalers are currently implementing new rate structures in response to the State's drought; and

WHEREAS, the DISTRICTS must pass through to their customers the cost of water imposed by and emergency water purchased from the DISTRICTS' water wholesalers; and

WHEREAS, the RULES AND REGULATIONS must be changed to more accurately reflect the cost of water to the DISTRICTS.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that Rules 5-D-1c, 5-E-1d, 5-F-1c, 5-G-1c, 5-H-1c, 5-I-1c, and 5-O-1a of the RULES AND REGULATIONS be amended as follows:

5-I-1c For meter sizes of one (1) inch or less, a base quantity shall be the average of the water usage for all similar sized meters during the corresponding billing period of a base period to be defined by the BOARD.

~~2. The amount of water used on the customer's premises during the corresponding billing period of a base period to be defined by the Board of Directors.~~

5-O-1a Water use up to the target quantities specified in Rules 5-D-1b, 5-D-1c, 5-E-1b, 5-E-1c, 5-F-1b, 5-F-1c, 5-G-1b, 5-G-1c, 5-H-1b, 5-H-1c, 5-I-1b, 5-I-1c, 5-J-1b, 5-J-1c, 5-K-1b, 5-K-1c, 5-L-1b, and 5-L-1c shall be billed at the established QUANTITY CHARGE or NORMAL USE CHARGE. Water use in excess of the aforementioned target quantities shall be subject to the following conservation surcharges in addition to the established QUANTITY CHARGE or NORMAL USE CHARGE:

~~1. A conservation surcharge of \$3.00 per 100 cubic feet shall be assessed for water usage in excess of the target quantity but less than the base quantity set in these Rules for the applicable billing cycle. This conservation surcharge shall be in addition to the normal established water rate.~~

~~2. A conservation surcharge of \$6.00 per 100 cubic feet shall be assessed for water usage in excess of the base quantity set in these Rules for the applicable billing cycle. This conservation surcharge shall be in addition to the normal established water rate.~~

1. For all customers within Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley, an additional conservation surcharge of 1.0 times the established QUANTITY CHARGE or NORMAL USE CHARGE will be assessed for water use in excess of the target quantity, up to 115 percent of the target quantity.

2. For all customers within Los Angeles County Waterworks District Nos. 21, Kagel Canyon; 29, Malibu, and the Marina del Rey Water System; 37, Acton; and 40, Antelope Valley, an additional conservation surcharge of 2.0 times the established QUANTITY CHARGE or NORMAL USE CHARGE will be assessed for water use in excess of 115 percent of the target quantity.

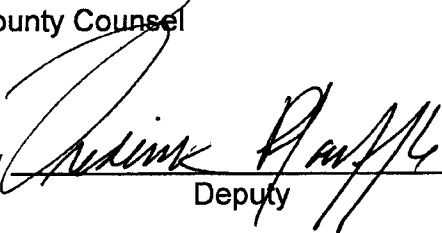
The foregoing resolution was adopted on the _____ day of _____, 2009,
by the Board of Supervisors of the County of Los Angeles as the governing body of the
Los Angeles County Waterworks Districts.

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER JR.
County Counsel

By  _____
Deputy

ATTACHMENT B

NOTICE OF UPDATED SURCHARGES AND PUBLIC HEARING AMENDMENT TO PART 5 OF RULES AND REGULATIONS OF THE LOS ANGELES COUNTY WATERWORKS DISTRICTS AND MARINA DEL REY WATER SYSTEM REGARDING THE PHASED WATER CONSERVATION PLAN

This notice is to inform customers of the Los Angeles County Waterworks Districts and Marina del Rey Water System (Districts) of a proposed amendment to Part 5 of the Districts' Rules and Regulations regarding the Phased Water Conservation Plan. The Phased Water Conservation Plan is to minimize the effects of an emergency water shortage on the Districts' customers and is implemented by the Districts' Board of Directors, which is the Los Angeles County Board of Supervisors, following a public hearing for determination of a water shortage.

The amendment will clarify the method of determining the Districts' water allocations to their customers during times of water shortages and update the surcharges applied to customers who exceed their water allocations. The updated surcharges are necessary to recover the higher cost to the Districts for water purchases in excess of the Districts' allocations from the various wholesale agencies that serve the Districts.

The surcharges are only applicable when the Board of Supervisors declares a water shortage and, therefore, implements the Phased Water Conservation Plan.

The surcharge for each unit of customers' water use in excess of their water allocation, up to 115 percent of their allocation, will be 1.0 times the normal water use quantity charge. For each unit of customers' water use in excess of 115 percent of their allocation, the surcharge will be 2.0 times the normal water use quantity charge. The surcharges, if any, will be applied in addition to normal established water bill charges. Customers with water use less than or equal to their allocation will not be affected by the surcharge.

For example, a customer with a water allocation of 50 units (1 unit = 100 cubic feet), a normal water use quantity charge of \$0.80 per unit, and water usage of 55 units would be applied a surcharge of \$4.00 ($5 \times 1.0 \times \0.80). If the customer used 60 units of water, he/she would be applied a surcharge of \$10.00 [$(7.5 \times 1.0 \times \$0.80) + (2.5 \times 2.0 \times \$0.80)$]. Conversely, if the customer used 45 units of water, he/she would not be applied a surcharge.

The Los Angeles County Board of Supervisors has scheduled a public hearing to consider any protests on this matter for **Tuesday, February 24, 2009, at 9:30 a.m.**, in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012. At the public hearing, the Board of Supervisors will consider all protests against the proposed surcharges. If written protests against the proposed fee are presented by a majority of the owners of parcels receiving services, the Districts will not impose the surcharges. Written comments may also be submitted at least one week prior to the above public hearing date by mail to the Los Angeles County Department of Public Works, Waterworks Division, 900 South Fremont Avenue, Alhambra, California 91803-1460.



Upon 72 hours notice, the Districts can provide program information and publications in alternate formats or make other accommodations for people with disabilities. In addition, program documents are available at our main office in Alhambra (900 South Fremont Avenue), which is accessible to individuals with disabilities. To request accommodations ONLY or for more Americans with Disabilities Act (ADA) information, please contact our ADA Coordinator at (626) 458-4081 or Telecommunication Device for the Deaf at (626) 282-7829, Monday through Thursday, from 7 a.m. to 5:30 p.m.

For more information on the proposed amendment and/or the effect of the updated surcharges on your water billings, please call (626) 300-3362.

Para más información en relación a esta notificación, favor de llamar al teléfono (626) 300-3314. Nuestra oficina esta abierta de 7 a.m. a 5:45 p.m., de lunes a jueves.